

Maximize profits from your Canadian sales

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Times have changed

It has long been the norm for Canadian importers to manage Customs matters on their own account. From a non-resident vendor's perspective, this was ideal.

On the ever-evolving commercial landscape, Canada has seen many non-resident vendors become Non-Resident Importers (NRIs). While motivations for becoming an NRI vary, the common denominator is market share: establishing it, increasing it or, at the very least, protecting it.

Other significant benefits to becoming an NRI include improved control of the supply chain and heightened competitive advantages, as vendors become better able to determine and manage the price points at which their goods will compete in the Canadian marketplace.

Deciding to become an NRI requires careful consideration of the added responsibilities that come with being named as importer on Customs accounting documents. NRIs must take into account not only Customs-related compliance but sales tax-related issues.

Customs issues

Any person named as an Importer of Record (IOR) on a Customs accounting document is necessarily drawn into the requirements of the Customs Act and the Customs Tariff Act. What is the tariff classification? What is the acceptable value to be declared? Where have the goods been manufactured? Will any duty be payable? Do any trade agreements apply? Are any other governmental departments (e.g., Canadian Food Inspection Agency, Transport Canada, Natural Resources Canada) interested in the goods? What are my obligations if I make an inaccurate declaration?

Cole International's team of customs professionals can provide answers to these and many other pressing questions. For more detailed descriptions of our services, please see Cole International's Trade Consulting brochure or visit www.coleintl.com.



For more information call 1-800-313-4281
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Sales Tax issues

With certain exceptions (basic groceries and certain medical equipment, for example), all goods entering Canada will incur Goods and Service Tax (GST) – currently 5% of the duty-paid value. NRIs need to strategically manage this tax to keep it from artificially inflating selling prices or eating away at profit margins.

While registration for the Goods and Services/Harmonized Sales Tax (GST/HST) is typically optional for NRIs, it may be required in some circumstances. Whether registered or not, NRIs are wise to explore strategies for recovering tax paid at the border.

Cole International's Commodity Tax Group can provide expert assistance in making crucial decision and minimizing the tax and duty paid on Canadian imports. Our team provides advice in the following areas:

- Canadian Market Entry Planning
- GST/HST Registration, Returns & Recovery
- GST/HST Compliance Reviews and Strategic Analysis
- Voluntary Disclosures
- Government Audit Representation
- Quebec Sales Tax Matters
- GST/HST Considerations in Organizational Restructuring
- Tax Interpretation Advice